GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1042
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Assessment of Demonetisation
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has made any assessment on the amount of black money deposited after demonetisation and the number of persons from whom black money was unearthed/seized, if so, the details thereof;
(b) whether the new currency of Rs. 2000 and Rs. 500 cannot be copied easily and if so, the details thereof;
(c) the extent to which the country's economy has been strengthened by implementing new currencies;
(d) whether digital payment had shown a decline after November-December, 2016, if so, the details thereof along with the number of digital payments made during the last six months; and
(e) the extent to which the printing of new notes has come down along with the profit or loss accrued to the Government as a result of demonetisation?

Answer

(a) Appropriate actions including searches, surveys, and enquiries were taken by the Income Tax Department (ITD) for serious violations of the provisions of the Income Tax Act, 1961. Further, disclosure of information regarding specific taxpayers is prohibited except as provided under section 138 of the Income-tax Act, 1961.
During the period 9th November 2016 to 10th January 2017, more than 1100 searches and surveys were conducted by the ITD, apart from issuing more than 5100 verification notices in the cases of suspicious high value cash deposits or related activities. These actions led to seizure of valuables of more than Rs. 610 crore which includes cash of Rs. 513 crore. Seizure of cash in new currency notes was about Rs 110 crore. The undisclosed income detected in these actions was more than Rs. 5400 crore.
Operation Clean Money was launched on 31st January 2017 with the mission to "Create a tax compliant society through a fair, transparent and non-intrusive tax administration where every Indian takes pride in paying taxes". In the process, about 18 lakh persons were identified whose cash transactions did not appear in line with their tax profile. Such persons were approached through SMS/email (non-intrusive method without even a notice).The contacted persons were required to submit their responses by logging into a specified website. As an outcome, more than 9.27 lakh responses were received providing information on 13.33 lakh accounts involving cash deposits of around Rs.2.89 lakh crores. Appropriate action under direct tax law in the remaining cases has been taken. Subsequently, advance data analytics tools were deployed and 5.56 lakhs new cases were identified for online verification.

(b) As per the analysis report on counterfeit notes received from Security Printing Presses, the security features in New Mahatma Gandhi Series Banknotes in denomination of Rs. 500 and Rs. 2000 have not been simulated as these are low quality fake notes.

(c) The Gross Domestic Product (GDP) of a country, which is an important indicator of country"s economic performance, depends on a number of factors including monetary factors (which is partly reflected by implementing of new currency). Therefore, it is not possible to isolate the impact of implementing new currencies on India's GDP.

(d) The overall volume as well as value have shown an undulating trend over the month-on-month from November 2016 to May 2017. However, there is a sharp growth in volume as well as value of transactions in the months of December 2016 and onwards till May 2017 as compared to those of November 2016.

(e) Currency notes are not issued with a profit/loss approach. The printing of new notes to replace the specified banknotes is in progress. The notes in circulation as on June 23, 2017 stood at Rs. 15,074.43 Billion as against Rs. 17,540.22 Billion as on October 28, 2016.

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